



## Investment Risk Disclosures

Investment opportunities available through CrowdStreet are speculative and involve substantial risk. Investors should not invest unless they can sustain the risk of loss of capital, including the risk of total loss of capital. Direct and indirect purchase of real property and commercial real estate involves significant risk, including, market risks, risks related to the sale of land, risks specific to a given property, principal risk and liquidity risk. All investors must make their own determination of whether or not to make an investment, based on their own independent evaluation of the investment and their risk tolerance. Investments should be chosen based on your objectives, timeframe, and risk tolerance. Investors should consult with a financial advisor, attorney, accountant, and any other professional that can help in understanding and assessing the risks associated with any investment opportunity and deciding if an investment is appropriate. Private placements are illiquid investments and are intended for investors who do not need a liquid investment.

Below is a summary of certain risks that apply to the Website, the Services, and/or the Securities. The occurrence of any of these or other risks could result in losses and damages to you. This is not an exhaustive list of all of the risks that could impact you.

In connection with any investment you may consider and purchase, it is important to read, review and understand all related information, all the features, risks, benefits, terms and conditions, as well as the other factors associated with the product or service, before making any financial decisions. In particular, it is your responsibility to read thoroughly the specific product materials including prospectuses and offering materials. All investments involve some degree of risk, and the outcome of any investment is uncertain.

**Real Estate Risks Generally.** Investments will be subject to the risks inherent in the ownership of real estate assets. These risks include, but are not limited to:

- General and local economic conditions and negative developments in the business economy, the supply and demand for properties, and the financial resources of tenants;
- Changes in building, environmental, zoning, and other laws;
- Changes in real property tax rates;
- Changes in interest rates and the availability of mortgage funds, which may render the purchase, sale, or refinancing of properties difficult or impracticable;
- Environmental cleanup costs and other liabilities from hazardous waste, mold, or indoor air pollution;
- Uninsured casualties, acts of God (such as earthquakes, tsunamis, hurricanes, wind storms, floods), epidemics, war, terrorism, nuclear accidents, labor disputes, riots, and other factors that are beyond the control of real estate issuers, operators and sponsors (collectively, "Sponsors");

- Property damage and business interruptions that may not be insurable, or may not be insurable at reasonable cost to the full extent needed to protect the real estate or its revenue-generating capacity;
- Development, redevelopment, and construction delays and cost overruns.

**Unsuccessful Real Estate Investments May Result in Poor Returns.** Real estate investments entail risks such as, without limitation, the risk of not correctly anticipating conditions or trends in the real estate market or miscalculating a Sponsor's ability to adequately complete a project, and therefore not being able to generate profit from the real estate investments.

**Real Estate Valuation Is Inherently Inexact.** Real estate valuation is an inherently inexact process and depends on numerous factors, all of which are subject to change. The property valuation models and methods may be deficient and may increase the risk of default.

**Returns and Loss Rates on Underlying Investments May Be Uncertain.** Private real estate investment projects ("**CRE Projects**") generally do not have significant historical performance data available about returns or the rates of loss and, even if an abundance of data was available, historical returns are not necessarily an accurate indicator or predictor of future performance. CRE Projects may lose value at a faster rate than anticipated. No one can predict with certainty what the long-term rates of return or loss will be on any of the CRE Projects, which could increase or decrease as a result of factors beyond the Sponsors' control and beyond the control of any lender, borrower or other person involved in the performance of an CRE Project, including prevailing interest rates, the rate of unemployment, the level of consumer confidence, decline in property values, degradation of specific properties, the value of the U.S. dollar, energy prices, changes in consumer spending or sentiment, the number of personal bankruptcies, disruptions in the credit markets and other factors.

**Investment Diversification.** Investment professionals generally agree that diversification of an investor's investment portfolio is an important component of reaching long-range financial goals while minimizing risk. Investments in real estate can help diversify a portfolio of investments in other types of assets. However, a concentrated investment strategy solely in real estate would increase an investor's risk and is not recommended.

**Risk of Loss.** All investing and trading activities risk the loss of capital, including the total loss of investment. There can be no assurance that any investment activity will be successful, or that investors will not suffer significant losses. No guarantee or representation is made, and investments through CrowdStreet are suitable only for investors of adequate financial means. If an investor cannot afford to lose the entire amount of such investor's investment, the investor should not invest in private CRE Projects.

**Real Estate Investments are Risky.** Investments through CrowdStreet are subject to risks generally attributable to the ownership of real estate investments. These include changes in global, national, regional or local economic, demographic or capital market conditions; current and future adverse national real estate trends, including increasing vacancy rates, which may negatively impact resale value, declining rental rates and general deterioration of market conditions; changes in supply of or demand for properties in a given market or metropolitan area that result in changes in market rental rates or occupancy levels; increased competition for real property assets; bankruptcies, financial difficulties or lease defaults by borrowers and/or tenants; changes in interest rates and availability of financing; potential misconduct by third-parties, including, but not limited to, borrowers, tenants, lenders, vendors, and service providers; and changes in government rules, regulations and fiscal policies, including changes in tax, real estate, environmental and zoning laws. Many of these factors are beyond the Sponsors' control. Any changes in these factors may adversely affect the returns on an investment.

**General Economic and Market Conditions.** The success of investment activities will be affected by general economic risks such as interest rates, availability of credit, inflation rates, economic uncertainty, and changes in laws. These factors may affect the level and volatility of asset prices and the liquidity of investment assets. Volatility or lack of liquidity could impair an investment's profitability or result in losses.

**Various Tax Risks.** Many of the CRE Projects are organized as partnerships or limited liability companies. These entities can have complex tax provisions relating to the treatment of income, gain, losses, and other allocations, as well as the need to avoid publicly-traded partnership status. Also, the positions taken by a Sponsor could be subject to challenge by the Internal Revenue Service. To the extent an investor is either a tax-exempt or a foreign investor, additional special tax considerations may apply such as the need or desire to minimize unrelated business taxable income ("UBTI"), to make withholding for taxes due under the Foreign Investments in Real Property Tax Act ("FIRPTA"), and to comply with the reporting and withholding obligations imposed by the Foreign Account Tax Compliance Act ("FATCA"). These tax considerations are in addition to transfer tax and federal, state, and local income tax considerations, and all tax regulations are subject to change. At a minimum, investors should be prepared to include K-1 statements and certain required filings in other states as part of their tax preparation process. Only investors who are prepared and able to deal with the tax implications of private placements should invest. Clients are strongly encouraged to consult with their tax advisors regarding their investments.

**No Assurance of Investment Return.** There is no assurance that any investor will be able to invest their capital on attractive terms or continue to generate positive returns or avoid losses over the long term.

**Illiquid and Long-Term Investments.** Although investments in CRE Projects may generate current income, the return of capital and the realization of gains to investors, if any, from an investment will generally occur only upon the partial or complete disposition or refinancing of such investment. Further, investment Sponsors determine solely and completely when and if a disposition or refinancing of a property will occur, subjected to the limitations of the offering documents for each deal. While an investment may be realized at any time, usually at the discretion of the Sponsor, it is not generally expected that this will occur for several years after the investment is made. Dispositions of investments may also be subject to contractual limitations on transfer, the desire to minimize or delay transfer or taxes, or other restrictions that would interfere with the subsequent disposition of such investments or adversely affect the terms that could be obtained upon any disposition thereof. As a result, there is a significant risk that an investor may be unable to realize its investment objectives by sale or other disposition at attractive prices or will otherwise be unable to complete any exit strategy.

**Transfer Restrictions and Fees.** Investors wishing to transfer their holdings, whether through sale, gift, or otherwise, generally will have to obtain approval of the Sponsor to complete the transaction, and some transactions may be prohibited. The Sponsor may charge fees in connection with such transfer.

**Passive Investments.** Our CRE Projects are passive investment opportunities. As passive investors, investors generally have no control over the day-to-day operations of the assets or investment entity and limited rights to protect themselves if they are dissatisfied with the manner in which the asset is being operated. Passive investors are highly dependent on the management abilities of the Sponsors.

**Accuracy of Information.** Sponsors supply a variety of information regarding the purpose of funding a CRE Project through an offering of CRE interests on the CrowdStreet Marketplace, including track records, estimated and actual costs, financial projections, and property titles. While we screen Sponsors and investment opportunities and conduct due diligence as we endeavor to ensure accurate and complete information, we cannot ensure that the information provided by third parties is complete or accurate.

**Risk of Default and No Security Interest.** If a Sponsor's Project fails or defaults for any reason, the investors may no longer or will not receive any returns on their investment. Investors will not be able to pursue collection against the Sponsor or its affiliates. Equity interests in CRE Projects are not secured, guaranteed, or insured by any collateral, including any of the underlying real estate assets that were bought by the proceeds of the offering.

**Business Disruption Due to Pandemics.** The success of each investor and their investment strategies could be significantly impacted by changing external economic conditions in the United States and globally. The stability and sustainability of growth in global economies may be impacted by terrorism, acts of war, pandemics or other unforeseen disasters. Changing economic conditions could potentially adversely impact the performance and valuation of portfolio holdings. In addition, the availability, unavailability, or hindered operation of external credit markets, equity markets, and other economic systems which Sponsors may depend upon may have a significant negative impact on real estate operations and profitability. The spread of COVID-19 in 2020 demonstrated how global events can result in broad-based economic decline and significant market volatility. Aside from the broad effects on the economy, a global event like a pandemic may also have specific implications for CrowdStreet's operations and activities of its personnel, which can range from employees working remotely to more significant impacts such as illness and restrictions on non-essential travel.

**Investments May Not Achieve Results Similar to Past Performance.** There can be no assurance that returns achieved by Users on CrowdStreet will ultimately equal or exceed the level of returns that Users have achieved in the past or that they will achieve the individual or collective performance of previous investment opportunities. Historical performance does not indicate future performance or return.

**Risk of Limited Number of Investments.** Users may participate in a limited number of investments and, consequently, the aggregate return of a Client may be substantially adversely affected by the unfavorable performance of a single or a few portfolio investments.

**Securities Act Risk.** The offerings of CRE Securities have not been registered under the Securities Act of 1933 (the "Securities Act") or the securities laws of any U.S. state or other jurisdiction, and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws or unless an exemption from registration is available. It is not contemplated that registration of the offer of the CRE Securities under the Securities Act will ever be effected. In addition, because the Sponsors will not register offerings of the CRE Securities under the Securities Act or any similar laws, investors will not receive the benefit of certain protections under the provisions of the Securities Act.

**Security Risk.** Hackers or others may attempt to interfere with, attack, or take over CrowdStreet, the Website, your Investing Account, your email, your device, your bank account, your personal information, or Sponsor systems, emails, or bank accounts and related information through malware attacks, phishing, and many other types of malicious activity. While we utilize measures reasonably designed to protect the Website, your Investing Account, and your personal information, no system is immune to this type of malicious activity. Further, CrowdStreet has no control over your email, your device, your bank account, Sponsors' systems and accounts, or those of other third parties.